that "the true indebtedness of the United States abroad had been completely hidden by the influx of foreign capital. What the nation had to pay in interest on railway and municipal obligations and industrial investments had never been felt as a charge upon commerce, in consequence of the compensation which resulted from the uninterrupted entry of capital placed by Europe." [1] The withdrawal of this capital,—even the mere suspension of the process of reinvesting it,—meant heavy payments in gold or merchandise to Europe, without compensation in returning gold or goods. The annual payments required to Europe, outside those compensated by American exports, were estimated by Mr. Heidle-bach, a New York banker, at $350,000,000, and the principal of the debt upon which interest was due was computed at not less than two billions of dollars.[2] The withdrawal of a large portion of this productive loan was the price which the United States were called upon to pay for political manoeuvres which aroused the fear that they would abandon the gold standard and make silver the basis of their monetary system.[8]

[1] *Le Marchk Financier en jSg^-iBg^* 255.

[2] These figures were largely mere estimates until a careful computation was made in *the Journal of Commerce and Commercial Bulletin* ^ July 8, 1895, based upon inquiries among brokers, steamship agents, and others possessing actual knowledge. This investigation made the total annual indebtedness to Europe, exclusive of merchandise movements in either direction, $175,475,000 and the credits on the other side $29,750,000, leaving a net indebtedness by the United States of $145,725,000. The leading debtor item was $90,000,000011 investment account, which would represent a capital of at least $2,*500,000,000. The creditor items included $14,000,000 brought by immigrants, $14,850,000 for outlays of foreign vessels in American ports, and $1,900,000 for outward earnings of American vessels. These figures take no account of the portion of the annual debt which may be settled by new securities.

[8] This tendency to the withdrawal of foreign capital was observed to some extent after the passage of the Bland bill and the Senate resolution offered by Senator Matthews of Ohio, that the obligations of the

United States were legally payable in silver. *Vide London Economist,* September 28, 1878; Leroy-Beaulieu, II., 229. The tendency only became marked, however, after the passage of the law of 1890.